

CALIFORNIA HORSE RACING BOARD  
Submitted by Corbett, Steelman & Specter on behalf of Los Angeles Turf Club, Inc. and Pacific Racing Association

California Horse Racing Board				
From	Current Rule Number and Text	Proposed Modifications Received	Comments received	Staff Recommendation
2086(i)	“‘Exchange Wagering Account’ ‘account’ means the account established with an exchange provider by a natural person participating in exchange wagering. An account may only be established or maintained with an exchanger provider by a natural person.”	“‘Exchange Wagering Account’ ‘account’ means the account established with an exchange provider by a natural person participating in exchange wagering. An account may only be established or maintained with an exchanger provider by a natural person. <u>With respect to exchange wagers placed with a licensed racing association at a racetrack, the only requirements for an exchange wagering account are that the person opening the account be at least 18 years of age, and a resident of California or present in California at the time when the wager is placed.</u> None of the other account requirements set forth in these Rules shall be applicable to such wagers.”	California benefits from wagers placed by out-of-state patrons at our local race tracks. There is no rational basis for limiting an attendee’s right to participate in Exchange Wagering based upon the laws of his home state, when these same restrictions are not applied to any other form of wagering. If Exchange Wagering is available at the race tracks to California residents, then it should also be available to all persons visiting California regardless of residency. This is particularly impactful for an event such as the Breeders Cup that attracts many out-of- state residents to California. In addition, it would place an undue burden on the race track personnel to request identification from any person present at the race track seeking to participate in Exchange Wagering, or to research the laws of their home state, before accepting a wager from them. Finally, there may also be constitutional	

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2086.1(b)	“Despite subsection (a) of this regulation, a licensee may conduct exchange wagering on any horse race conducted outside of California where the licensee does not offer exchange wagering to residents of California on that race.”	2086.1(b) must be deleted.	This rule purports to allow an online exchange wagering operator licensed by California to accept wagers from non-California residents on non-California races. This contradicts the modification made to Rule 2089.5, which specify that accounts opened by non-California residents may be “used for wagering on California races only,” and it therefore should be deleted.	
2089.5(a) (first sentence)	“An exchange wagering account is necessary to place exchange wagers.”	“An exchange wagering account is necessary to place exchange wagers <u>over the Internet. A person opening an account with a licensed racing association, at a racetrack, must be 18 years of age and a resident of California, or present in California at the time when the wager is placed.</u> ”	As with 2086 (i) above, the Rule requires clarification that the only requirements imposed by the Rules on accounts used for placing exchange wagers in person, with a licensed racing association at a racetrack, is that the person opening the account must be at least 18 years of age, and a resident of California <b><i>or present in California at the time when the wager is placed.</i></b> California benefits from wagers placed by out-of-state patrons at our local race tracks. There is no	

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